



PRESS RELEASE

Federal Deposit Insurance Corporation • Each depositor insured to at least \$250,000

October 13, 2017

FDIC Customer Service Call Center
Toll Free - 1-866-308-4470

Conway Bank, Conway Springs, Kansas, Assumes All of the Deposits of The Farmers and Merchants State Bank of Argonia, Argonia, Kansas

The Farmers and Merchants State Bank of Argonia, Argonia, Kansas, was closed today by the Office of the State Bank Commissioner of Kansas, which appointed the Federal Deposit Insurance Corporation (FDIC) as receiver. To protect the depositors, the FDIC entered into a purchase and assumption agreement with Conway Bank, Conway Springs, Kansas, to assume all of the deposits of The Farmers and Merchants State Bank of Argonia.

The two branches of The Farmers and Merchants State Bank of Argonia will reopen as branches of Conway Bank during their normal business hours. Depositors of The Farmers and Merchants State Bank of Argonia will automatically become depositors of Conway Bank. Deposits will continue to be insured by the FDIC, so there is no need for customers to change their banking relationship in order to retain their deposit insurance coverage up to applicable limits. Customers of The Farmers and Merchants State Bank of Argonia should continue to use their existing branch until they receive notice from Conway Bank that it has completed systems changes to allow other Conway Bank branches to process their accounts as well.

This evening and over the weekend, depositors of The Farmers and Merchants State Bank of Argonia can access their money by writing checks or using ATM or debit cards. Checks drawn on the bank will continue to be processed. Loan customers should continue to make their payments as usual.

As of June 30, 2017, The Farmers and Merchants State Bank of Argonia had approximately \$34.2 million in total assets and \$29.6 million in total deposits. Conway Bank will pay the FDIC a premium of 2.5 percent to assume all of the deposits of The Farmers and Merchants State Bank of Argonia. In addition to assuming all of the deposits of the failed bank, Conway Bank agreed to purchase essentially all of the assets.

Customers with questions about the transaction should call the FDIC toll-free at 1-866-308-4470. The phone number will be operational this evening until 9:00 p.m., Central Time (CT); on Saturday from 9:00 a.m. to 6:00 p.m., CT; on Sunday from noon to 6:00 p.m., CT; on Monday from 8 a.m. to 8 p.m., CT; and thereafter from 9:00 a.m. to 5:00 p.m., CT. Interested parties also can visit the FDIC's website at <https://www.fdic.gov/bank/individual/failed/fmstatebank.html>.

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,787 as of June 30, 2017. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

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The FDIC estimates that the cost to the Deposit Insurance Fund (DIF) will be \$2.6 million. Compared to other alternatives, Conway Bank's acquisition was the least costly resolution for the FDIC's DIF. The Farmers and Merchants State Bank of Argonia is the seventh FDIC-insured institution to fail in the nation this year, and the first in Kansas. The last FDIC-insured institution closed in the state was Heartland Bank, Leawood, on July 20, 2012.

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